

Caution: DRAFT FORM

This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Domestic Production Activities Deduction

► Attach to your tax return. ► See separate instructions.

| Name(s) as shown on return | | Identifying number | | | | | | | | | | |
|----------------------------|---|--------------------|---|----------------------|---|------------------|--|--|--|----------------------|--|-----------|
| 1 | Domestic production gross receipts (DPGR) | 1 | | | | | | | | | | |
| 2 | Allocable cost of goods sold. If you are using the small business simplified overall method, skip lines 2 and 3 | 2 | | | | | | | | | | |
| 3 | If you are using the section 861 method, enter deductions and losses definitely related to DPGR. Estates and trusts, see instructions. All others, skip line 3 | 3 | | | | | | | | | | |
| 4 | If you are using the section 861 method, enter your pro rata share of deductions and losses not definitely related to DPGR. All others, see instructions | 4 | | | | | | | | | | |
| 5 | Add lines 2 through 4 | 5 | | | | | | | | | | |
| 6 | Subtract line 5 from line 1 | 6 | | | | | | | | | | |
| 7 | <table border="1"> <thead> <tr> <th>If you are a—</th> <th>Then enter the total qualified production activities income from—</th> </tr> </thead> <tbody> <tr> <td>a Shareholder</td> <td>Schedule K-1 (Form 1120S), box 12, code Q</td> </tr> <tr> <td>b Partner</td> <td>Schedule K-1 (Form 1065), box 13, code U</td> </tr> <tr> <td></td> <td>Schedule K-1 (Form 1065-B), box 9, code S2</td> </tr> <tr> <td>c Beneficiary</td> <td>Schedule K-1 (Form 1041), box 14, code C</td> </tr> </tbody> </table> | If you are a— | Then enter the total qualified production activities income from— | a Shareholder | Schedule K-1 (Form 1120S), box 12, code Q | b Partner | Schedule K-1 (Form 1065), box 13, code U | | Schedule K-1 (Form 1065-B), box 9, code S2 | c Beneficiary | Schedule K-1 (Form 1041), box 14, code C | 7 |
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| c Beneficiary | Schedule K-1 (Form 1041), box 14, code C | | | | | | | | | | | |
| 8 | Qualified production activities income. Add lines 6 and 7. If zero or less, enter -0- here, skip lines 9 through 15, and enter -0- on line 16 | 8 | | | | | | | | | | |
| 9 | Income limitation (see instructions): <ul style="list-style-type: none"> Individuals, estates, and trusts. Enter your adjusted gross income figured without the domestic production activities deduction All others. Enter your taxable income figured without the domestic production activities deduction (tax-exempt organizations, see instructions) | 9 | | | | | | | | | | |
| 10 | Enter the smaller of line 8 or line 9. If zero or less, enter -0- here, skip lines 11 through 15, and enter -0- on line 16 | 10 | | | | | | | | | | |
| 11 | Enter 3% of line 10 | 11 | | | | | | | | | | |
| 12 | Form W-2 wages (see instructions) | 12 | | | | | | | | | | |
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| c Beneficiary | Schedule K-1 (Form 1041), box 14, code D | | | | | | | | | | | |
| 14 | Add lines 12 and 13 | 14 | | | | | | | | | | |
| 15 | Form W-2 wage limitation. Enter 50% of line 14 | 15 | | | | | | | | | | |
| 16 | Enter the smaller of line 11 or line 15 | 16 | | | | | | | | | | |
| 17 | Domestic production activities deduction from cooperatives. Enter deduction from Form 1099-PATR, box 6 | 17 | | | | | | | | | | |
| 18 | Expanded affiliated group allocation (see instructions) | 18 | | | | | | | | | | |
| 19 | Domestic production activities deduction. Combine lines 16 through 18 and enter the result here and on Form 1040, line 35; Form 1120, line 25; Form 1120-A, line 21; or the applicable line of your return | 19 | | | | | | | | | | |

